

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

In re:)	
M3POWER RAZOR SYSTEM)	CIVIL ACTION NO. 05-11177-DPW
MARKETING & SALES PRACTICES)	(LEAD CASE)
LITIGATION)	
)	MDL Docket No. 1704
)	
THIS DOCUMENT RELATES TO:)	
ALL CASES)	
)	

DECLARATION OF KEVIN MCNAMARA

I, Kevin McNamara, do depose and say as follows:

1. I am employed by The Gillette Company ("Gillette") as the Vice President of Finance for its Blades and Razors Global Business Unit. I have held this position since 2003. In this position, I am the senior financial officer of that business unit, which includes Gillette's traditional, premium, and disposable lines of blades and razors. I report directly to the President of the Blades and Razors Global Business Unit. Prior to becoming Vice President of Finance, I held a variety of other positions within Gillette, including Assistant Corporate Controller, Finance Director for all Gillette business entities in North America, and various internal financial planning and audit positions. I have been employed by Gillette since joining the company in 1988.

2. I submit this declaration in support of Gillette's Motion to Impound.

3. The documents that Gillette seeks to maintain as confidential and impounded from public view are attached as Exhibits 1 and 2 and were prepared under my supervision.

4. The documents in Exhibit 1 include those documents that, I have understand, have been designated as CONFIDENTIAL under the Stipulated Protective Order in this case. They

include, for the United States and Canada: (a) retail volume and average retail price data for M3Power razors, broken down monthly for the period from the launch of the M3Power product in May 2004 through September/October 2005 (the "class period"), GLTE 000001-02, (b) average retail price data for the total class period for M3Power blades, GLTE 000008, (c) average retail price data for Mach3TURBO razors, broken down monthly during the class period, GLTE 000009, GLTE 000033, (d) average retail price data for Mach3TURBO blades for the total class period, GLTE 000010, GLTE 000034 (e) M3Power historical media expenditures, monthly, from April 2004 through September 2006, GLTE 000012, and (f) average retail price data for the Fusion manual razor, from the launch of Fusion in January of 2006 through August of 2006, GLTE 000014.

5. None of this data is information that is normally made available by Gillette to the public. Gillette's public financial reporting, for example, occurs on a division-wide basis, without breaking out results for individual product lines.

6. The reason for this confidentiality is that, although portions of this data are publicly available, other portions are proprietary or under express confidentiality restrictions between Gillette and other parties. For example, Gillette itself sells its products to distributors and retailers, rather than directly to consumers. As a result, Gillette must compile its information about retail sales from other sources, principally from the retailers themselves (if they are willing to share it) and third-party research services (who collect it from retailers willing to share it). The information obtained from third-party research services is always incomplete because some retailers refuse to provide retail and sales information to these third-party services. Gillette's internal sales and price information, therefore, are derived by combining the publicly available third-party data with the proprietary data that Gillette has obtained directly from certain

retailers that have provided it to Gillette, pursuant to agreements that Gillette keep the data confidential. If Gillette's competitors were to have access to this combined data, they could -- by comparing the documents in Exhibit 1 to the data available from third-party services -- extract the proprietary information that those retailers have shared with Gillette under a confidentiality agreement.

7. The non-retail data in Exhibit 1 -- namely, the historical media data -- is similarly kept confidential within Gillette. Though competitors can, through public research and their own guesswork, arrive at their own estimates of Gillette media spending, public disclosure of month-to-month media spending, as appears in Exhibit 1, would give competitors the benefit of confirming their estimates about Gillette's media cost structure. Information about Gillette's advertising is for that reason generally kept confidential within Gillette. While competitors may obtain information about advertising costs from third-party sources, that information is always an extrapolation and may be different from Gillette's actual expenditures. A competitor that was able to obtain accurate information about Gillette's advertising expenditures would be in a position to determine where Gillette focuses its marketing resources and the general cost at which Gillette supports a particular brand.

8. The documents in Exhibit 2, include those documents that Gillette has designated as **HIGHLY CONFIDENTIAL** under the Stipulated Protective Order. They include, for the United States and Canada: (a) Gillette's profit margins and cost structure (including manufacturing cost and advertising cost) on sales to the "trade" for the M3Power razor and blades, for the total class period, GLTE 000003 -- GLTE 000007, and (b) average wholesale prices for the M3Power and Mach3 Turbo razor and blades, for the total class period, GLTE 000003 -- GLTE 000007, GLTE 000011, GLTE 000035.

9. Information about Gillette's profit and loss for the M3Power razor -- *i.e.*, at the level of the individual Gillette brands -- is among the most highly confidential information maintained by Gillette. A competitor with an understanding of the average profit that Gillette makes on its razor sales to the trade for a particular line of razor would be able to use that information to determine which categories of products are sufficiently lucrative to launch, or could use that data to expand particular products that compete with particular products of Gillette. Even though the profit and loss information here covers a period that runs from mid-2004 to the latter part of 2005, it would still be very helpful to competitors because recent historical information about average profit can be used to make much more accurate predictions about both current and future profit and loss data.

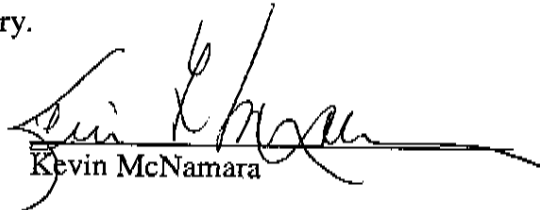
10. Information about the cost at which Gillette manufactures its razors, which is also contained in these exhibits, is also highly confidential, for the same reasons. A competitor with an understanding of Gillette's manufacturing costs could use that information to determine Gillette's profit and loss on a product-by-product basis. A competitor with an understanding of Gillette's average manufacturing cost would be able to adjust its own cost structure to target those areas when it could gain advantage over Gillette, and make more accurate predictions about the strengths and weaknesses of Gillette's cost structure.

11. Likewise, information about the average price at which Gillette sells its razors to wholesalers is highly confidential. This information could also be used to determine Gillette's profit-and-loss on a product-by-product basis. Moreover, knowing Gillette's average wholesale price point for a particular product over time better enables competitors to target their own pricing against Gillette's in the competition for shelf space with retailers. Again, even data from mid-2004 to late 2005 would allow competitors to make much more reliable predictions as to

where Gillette's wholesale price points are today and will be in the future. Disclosing this data would give competitors confirmation of commercial information that they otherwise could only arrive at by surmise.

12. Given the competitive harm that Gillette would suffer as a result of the disclosure of its profit data as well as the components that could be used to derive that data, such data are treated as secret by Gillette. As noted above, though Gillette makes public disclosure of financial results for its Blades and Razors Global Business Unit as a whole, Gillette does not report in its public financial statements its profits on a product-by-product basis. Even within Gillette, data of this sort are only shared within the Blades and Razors division, and then only with certain personnel. Access to the data itself is limited to employees in finance and a few select employees in the Blades and Razors Global Business Unit. The information is kept in a separate database with password limited access. Even those with passwords may have access to only certain portions of the data. Disclosure of this information would, I believe, provide a significant competitive benefit to Gillette's competitors, and cause competitive injury to Gillette.

Signed under the penalties of perjury.


Kevin McNamara

Dated: November ~~6/14~~ 2006

EXHIBIT A

FILED UNDER SEAL

EXHIBIT B

FILED UNDER SEAL